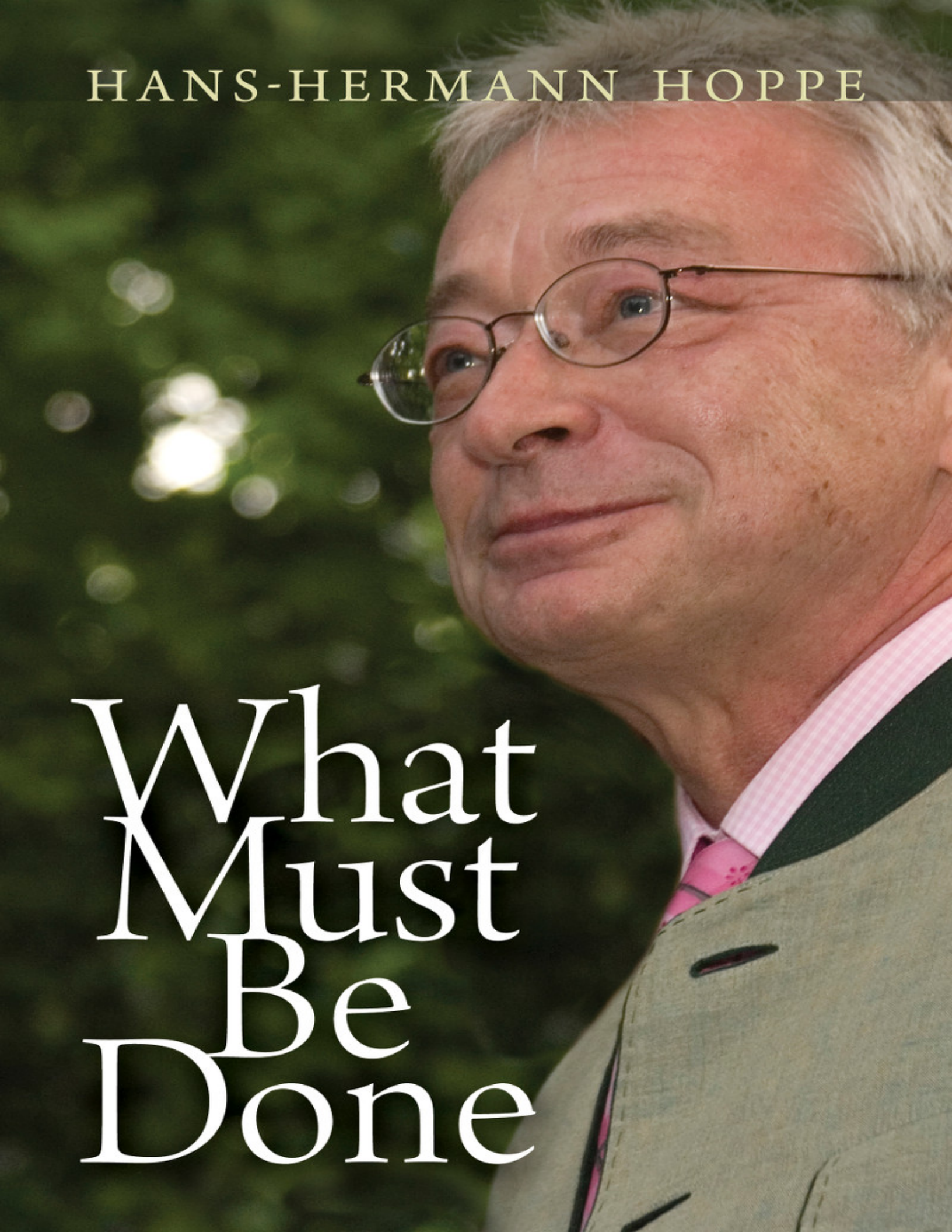
HANS-HERMANN HOPPE

What Must Be Done



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What Must Be Done

by Hans-Hermann Hoppe

A slightly more appropriate title[1] would be “Society, State, and Liberty: The Austro-Libertarian Strategy of Social Revolution.” So I want to step up things a little bit after all these moderate talks that you have heard before. I want to end with some rather concrete strategic advice, but in order to give this first I have to diagnose what the problem is otherwise the cure might be worse than the disease. And this diagnosis involves some sort of systematic reconstruction or theoretical explanation of human history.

Society and Cooperation

Let me begin with a few words about society. Why is there society? Why do people cooperate? Why is there peaceful cooperation rather than permanent war among mankind? Austrians, and in particular Misesians, emphasize the fact that we do not need to assume anything like sympathy or love for other people in order to explain this. Self-interest—that is, to prefer more over less—is entirely sufficient to explain this phenomenon of cooperation. Men cooperate because they are able to recognize that production under division of labor is more productive than self-sufficient isolation. Imagine just that we would withdraw from division of labor, and you would immediately recognize that we would be desperately poor and most of mankind would immediately die out.

Note one important thing here, and I’ll come back to this. What this explanation implies and what it does not imply: It does not imply of course that there will be always and without any exception or disturbance nothing but peace among men. There are always robbers and murderers around, and every society somehow has to deal with these types. But what it does imply is that the Hobbesian account of the emergence of peaceful cooperation is fundamentally misconceived.

Thomas Hobbes assumed that people would be permanently at each others throats if it were not for some independent third party—that is the State of course—to make peace among them. Now, you notice immediately what kind of curious construction this. People are assumed to be bad wolves, and they can be turned into sheep if another third wolf is made to rule above them. If this third party is also a wolf, as obviously he must be, then even if he can make peace between two individuals, this obviously implies that there would be a permanent war between the ruling wolf and the two wolves that are now peacefully cooperating with each other.

What this implies is something of great importance. There must be no State, or there must be no independent third party, in order to have cooperation between two individuals. Which you can also recognize immediately if you just look, for instance, at the international scenery. There exists no such thing as a world government—at least not yet—and still, people of different countries still cooperate peacefully with each other. Or, even out of the greatest social chaos, cooperation always emerges again.

What this boils down to is simply that peaceful cooperation between humans is a perfectly natural and constantly reemerging phenomenon; and out of this cooperation then, and equally naturally, and equally driven by self-interest, comes capital formation, and money, the medium of exchange, and then the division of labor ultimately expands to the entire globe, and likewise money, commodity money, also becomes a worldwide used commodity money. Material living standards increase for everyone, and based on higher material living standards, an ever more elaborate superstructure of non-material goods, that is civilization—science, arts, literature, and so forth—can be developed and maintained.

Protection and the State

But something can and obviously has happened that disrupts and distorts or even derails this normal, self-interest driven development. And this is of course the State, which I will define initially, rather abstractly, as a compulsorily-funded territorial monopolist of protection. That is, a monopolist of defense and the provision and enforcement of law and order.

Now how does a State originate? While this is generally, and I think intentionally, confused, it should be made clear right from the outset that law and order, or protection of property, and State law, and State order, and State protection are not one and the same thing; they are not identical things. Just as property and social cooperation based on the division of labor are natural, so the human desire to have one's property protected against natural and social disasters, such as crime, is a completely natural desire. And in order to satisfy this desire, there is first and foremost self-protection. Precaution, insurance (individual or cooperative), vigilance, self-defense, and punishment.

And let there be absolutely no doubt as to the effectiveness of a protection system based on peoples willingness to defend themselves. This is how law and order was maintained for most of the time for most of mankind. In every village, even up to this day, law and order is basically maintained in this way. The American Wild West, which was not exactly "wild" as compared to the current situation, that's the way law and order was maintained, by people being willing to defend themselves.

Moreover, the division of labor will then naturally affect the production of security and protection services. The higher standards of living grow, the more people will, besides relying on self-defense measures, also want to partake in the advantages of the division of labor, and attach themselves for protection to a specializes protector, to providers of law and order, justice, and protection. And naturally, every person will look for this particular task to persons or institutions who have something to protect themselves—who have the means to assure effective protection and have a reputation as just and impartial judges. In every society of more than the most minimal degree of complexity, there will quickly emerge specific individuals, who on account of having property to defend, having a good reputation and so forth, will assume the role of judges and peacemakers and protectors. And again, every single village up to this day, every small community, and even the Wild West of course, illustrate the truth of this conclusion.

Protection is also possible without a State. This should be absolutely obvious, but in an age of statist obfuscation and confusion, it is increasingly necessary to emphasize this elementary and yet as we will see, very dangerous insight. The decisive step in diverting human history from its

natural course—the original sin of mankind, so to speak—occurs with the monopolization of the provision of protection, defense, security, and order: the monopolization of these tasks by a single one of these initially numerous protectors at the exclusion of all others. A protection monopoly exists once a single agency or a single person can effectively insist that everyone on a given territory must exclusively come to him for justice and protection. That is, that no one can rely exclusively or solely on self-defense, or attach himself for protection to somebody else. Once this monopoly is reached, then funding of this protector is no longer entirely voluntary, but in part becomes compulsory.

And, as standard Austrian economics predicts, once there is no longer free entry into the business of property protection, or any other business for that matter, the price of protection will rise, and the quality of protection will fall. The monopolist will become increasingly less of a protector of our property, and increasingly more a protection racket, or even a systematic exploiter of property owners. He will become an aggressor against and a destroyer of the people and their property that he was initially supposed to protect.

Now what is easily described in abstract terms (monopoly) is in practice a painstaking and lengthy task. How can anyone get away with barring all other protectors from competition? And why would the people and especially the excluded other potential peacemakers and judges allow such a thing to happen, that one individual monopolizes this service? Now the answer regarding the original of the State is in detail very complicated, but in its general structure is very easy to recognize.

First, every state, that is every monopolistic protection agency, must begin, or can only originate on an extremely small territorial level, such as a village. It is practically inconceivable that a world State, or a protection monopoly encompassing the entire world population could come into existence from scratch.

The second thing we have to notice is that not just anyone become a local protection monopoly. Rather, the local protection monopolists are initially members of the natural social elite. That is, they are initially accomplished and acknowledged members of society. They were also, before they reached the position of a monopolist, previously chosen voluntarily as protectors. Only as established and recognized elites, whose

authority is essentially voluntary, is it possible for them to make this decisive step toward monopolization and get away with it.

That is to say, every initial local government or state originates in the form of personal or private lordships or of princely rule. No one would entrust just anyone with the maintenance of law, order, and justice, and in particular if this person or agency had a monopoly for this particular task. Instead, people would look for protection obviously from someone known, and known to be a knowledgeable person, and only such a person, a noble or an aristocrat, can possibly attain a monopoly position initially.

Historically, by the way, if one looks at modern or ancient history, States everywhere are basically first princely States, and only later do they become democratic States. And even though it is true that States must begin only locally and usually as princely States, it still took hundreds of years before anything resembling the modern State came into existence.

The Impossibility of Limited Government

Now, once the protection monopoly is in place, a logic of its own is set in motion. Every monopolist takes advantage of his position. The price of protection will go up, and more importantly, the content of the law, that is the product quality, will be altered to the advantage of the monopolist and at the expense of others. Justice will be perverted, and the protector becomes increasingly an exploiter and an expropriator. More specifically, as the result of the territorial monopolization of protection, two tendencies are generated. First, a tendency towards the extensification of exploitation, and second, a tendency towards the intensification of exploitation.

Originally local institutions, States have an inherent tendency, driven by self-interest, of wanting more income rather than less—toward territorial expansion. The more subjects a State protects—or rather exploits—the better it is. The competition between States—that is, territorial monopolists—is an eliminative competition: either I am the monopolist or you are the monopolist of ripping people off.

Moreover, with numerous States, people can easily move with their feet. However, a loss of population from the point of view of the State, is a bothersome problem. Hence, States almost automatically come into conflict

with each other, and one way of solving this conflict, from a statist viewpoint, is territorial expansion: either by means of war or intermarriage, and sometimes by outright purchase. Ultimately, this tendency would come to a halt only with the establishment of a one-world single state.

The second tendency is the intensification of exploitation. Extensifying exploitation—ripping people off—of a State monopoly, implies in and of itself an intensification, because the smaller the number of competing states—that is, the larger the State territories become—the less are the opportunities of voting with one's feet. And under the scenario of a world State, wherever one goes, the tax and regulation structure is the same. That is, with the threat of immigration gone, monopolistic exploitation will naturally increase—that is to say, the price of protection will rise, and the quality will fall.

Monarchy vs. Democracy

However, even apart from this, as soon as a protection monopoly exists, for any given sized territory, the monopolist will try to intensify his exploitation and increase his income and wealth at the expense of the protected subjects to the maximum extent possible. As long as the monopoly is held by a single person, like a prince or a king, and especially when it is a hereditary monopoly, then it is in the monopolist's interest, because he owns the monopoly and the capital value of it, to preserve the value of his property. He will exploit little today in order to exploit more tomorrow.

Popular resistance against expansion of State power will be very high if there is a single person in charge because there is obviously no free entry into the State apparatus, and the benefits of the monopoly accrue to a single man and his extended family—that is, the hereditary nobility. Accordingly, the public resentment and vigilance is heightened, and attempts to intensify exploitation find quick and severe limitations. People hated the king because they realized that "he is the ruler and we are ruled by him."

Predictably, a great push forward in the State's desire for intensified exploitation occurred only in conjunction with the reform of the State—drawn out over centuries—from a princely to a democratic State. Under

modern majoritarian democracy—that is, the type of State that came into full bloom after World War I on a world wide scale—the monopoly and exploitation do not disappear. Majoritarian democracy is not a system of self-rule and self-defense. State and people are not one and the same thing. With the substitution of an elected parliament and presidents for an unelected prince or king, protection remains as much a monopoly as it was before. What happens is only this: the territorial protection monopoly becomes now public rather than private property. Instead of a prince who regards it as his private property, a temporary and interchangeable caretaker is put in charge of the protection racket. The caretaker does not own the protection racket. Instead, he is just allowed to use the current resources for his own advantage. He owns usufruct but he does not own the capital value. This does not eliminate the self-interest driven tendency toward increased exploitation. To the contrary, it only makes exploitation less rational and less calculating, and more shortsighted and more wasteful.

Moreover, because entry into a democratic government is open—everyone can become president—resistance against State property invasions is reduced. This leads to the same result: increasingly under democratic conditions, the worst will rise to the top of the State in free competition. Competition is not always good. Competition in the field of becoming the shrewdest aggressor against private property is nothing to be greeted. And this is precisely what democracy amounts to.

Princes and kings were dilettantes as rulers, and normally had a good measure of natural elite upbringing and value system so as to act often enough simply as a good household father would have done. Democratic politicians on the other hand, are and must be professional demagogues, constantly appealing to even the basest—and that is typically egalitarian instincts—as every vote is obviously as good as any other. And because publicly elected politicians are never held personally accountable for official public service, they are far more dangerous, from the viewpoint of those who want their property to be protected and want security, than any king has ever been.

If you combine these two tendencies that I mentioned, inherent in a State: intensification—exploiting the domestic population, and extensification; then you get a one-world democracy, with a one-world paper currency issued by a world central bank.

Current Conditions

At this moment, let me simply take stock. Here we are at the end of the 20th century, closer than ever to the end-state of a one-world State, at least closer than ever before in history. The United States is the sole superpower and the world's top cop. At the same time, democracy has become almost universal, and the world's leading power, the United States, is the world's leading champion of democracy.

Some neoconservatives such as Francis Fukuyama pointed out that this must be the end of history. One world democracy, we almost reached it. Now, from an Austro-libertarian point of view, matters look somewhat different. Under highly centralized democracy, or let me call it highly centralized mob rule, the security of private property has almost completely disappeared. The price of protection is enormous, and the quality of justice dispensed has gone downhill constantly. It has deteriorated to the point where the idea of immutable laws of justice, of natural law, has almost entirely disappeared from public consciousness. Law is considered nothing but State-made law—positive law. Law and justice is whatever the State says it is. There is still private property in name, but in practice private property owners have been almost completely expropriated. Rather than protecting people from invaders and invasions of person and property, the State has increasingly disarmed its own people, and stripped them of their most elementary right to self-defense.

Moreover, private property owners are no longer free to include or exclude other people from their property as they see fit. This is the right to include if you want, or exclude if you want, is an essential ingredient of private property. And this entails a defense mechanism; it is an anti-invasion method that you can kick people off your property. But this right to kick people off your property, especially commercial property, has been entirely taken away from you. And with this right gone—and no one can today hire or fire, buy or sell, include or exclude from his property at will—with all of this gone, is also another method of defending oneself from invasion.

The State, which was supposed to protect us, has in fact rendered us completely helpless. It robs its subjects of more than half their income, to

be distributed according to public sentiment, rather than according to principles of justice. It subjects our property to thousands of arbitrary and invasive regulations. We can no longer freely hire and fire whoever we want, for whatever reason we deem good and necessary. We cannot sell or buy whatever we want, to whoever we want, and wherever we want. We cannot charge prices freely as we wish, we cannot associate and disassociate, separate ourselves with whoever we want, or with whoever we do not want.

Instead of protecting us, then, the State has delivered us and our property to the mob and mob instincts. Instead of safeguarding us, it impoverishes us, it destroys our families, local organizations, private foundations, clubs and associations, by drawing all of them increasingly into its own orbit. And as a result of all of this, the State has perverted the public sense of justice and of personal responsibility, and bred and attracted an increasing number of moral and economic monsters and monstrosities.

Strategy: Stopping the Statist Disease

How can the State and the statist disease be stopped? Now I will come to my strategic considerations. First off, three fundamental insights or guiding principles must be recognized. First: that the protection of private property and of law, justice, and law enforcement, is essential to any human society. But there is no reason whatsoever why this task must be taken on by one single agency, by a monopolist. As a matter of fact, it is precisely the case that as soon as you have a monopolist taking on this task, he will with necessity destroy justice and render us defenseless against foreign as well as domestic invaders and aggressors.

It is then one’s ultimate goal which one has to keep in mind is the demonopolization of protection and justice. Protection, security, defense, law, order, and arbitration in conflicts can and must be supplied competitively—that is, entry into the field of being a judge must be free.

Second, because a monopoly of protection is the root of all evil, any territorial expansion of such a monopoly is *per se* evil too. Every political centralization must be on principle grounds rejected. In turn, every attempt

at political decentralization—segregation, separation, secession and so forth—must be supported.

The third basic insight is that a democratic protection monopoly in particular must be rejected as a moral and economic perversity. Majority rule and private property protection are incompatible. The idea of democracy must be ridiculed: it is nothing else but mob rule parading as justice. To be labeled a democrat must be considered the worst of all possible compliments! This does not mean that one may not participate in democratic policies; I will come to that a little bit later.

But one must use democratic means only for defensive purposes; that is, one may use an anti-democratic platform to be elected by an anti-democratic constituency to implement anti-democratic—that is, anti-egalitarian and pro-private property—policies. Or, to put it differently, a person is not honorable because he is democratically elected. If anything, this makes him a suspect. Despite the fact that a person has been elected democratically, he may still be a decent and honorable man; we have heard one before.

From these principles we now come to the problem of application. The basic insights—that is: monopolized protection, a State, will inevitably become an aggressor and lead to defenselessness; and political centralization and democracy are means of extensifying and intensifying exploitation and aggression—while these basic insights give us a general direction in the goal, they are obviously not yet sufficient to define our actions and tell us how to get there.

How can the goal of demonopolized protection and justice possibly be implemented given the present circumstances of centralized—almost world democracy—as at least temporarily our starting point from which we have to begin. Let me try to develop an answer to this question by elaborating first in what respect the problem, and also the solution to it, has changed in the course of the last 150 years—that is, since around the middle of the 19th century.

Top-Down Reform: Converting the King

The problem up to 1914 was comparatively small and the possible solution was comparatively easy then; and today as we will see, matters are more difficult and the solution is far more complicated. By mid-19th century, in Europe as well as in the United States, not only was the degree of political centralization far less pronounced than it is now; the Southern War of Independence had not yet taken place, and neither Germany nor Italy existed as unified States.

But in particular, the age of mass democracy had hardly begun at this time. In Europe, after the defeat of Napoleon, countries were still ruled by kings and princes, and elections and parliaments played little roles and were in addition restricted to extremely small numbers of major property owners. Similarly, in the United States, government was run by small aristocratic elites, and the vote was restricted by severe property requirements. After all, only those people who have something to be protected should be running those agencies that do the protection.

One hundred and fifty or even one hundred years ago, only the following thing was essentially necessary in order to solve the problem. It would have been necessary only to force the king to declare that from now on, every citizen would be free to choose his own protector, and pledge allegiance to any government that he wanted. That is, the king would no longer presume to be anyone's protector, unless this person had asked him, and met his prize that the king would have asked for such service.

Now what would have happened in this case? What would have happened, let's say, if the Austrian emperor had made such a declaration in 1900? Let me try to give a brief sketch or scenario of what I think would likely have happened in this situation.

First, everyone, upon this declaration, would have regained his unrestricted right to self-defense, and would have been free to decide if he wanted more or better protection than that afforded by self-defense, and if so, where and from whom to secure this protection. Most people in this situation undoubtedly would have chosen to take advantage of the division of labor, and rely, in addition to self-defense, also on specialized protectors.

Second, on the lookout for protectors, almost everyone would have looked to persons or agencies who own or are able to acquire the means to assure the task of protection—that is, who have themselves a stake in the to-be protected territory in the form of substantial property holdings—and

who possess an established reputation as reliable, prudent, honorable, and just.

It is safe to say that no one would have considered an elected parliament up to this task. Instead, almost everyone would have turned for help to one or more of three places: either the king himself, who is now no longer a monopolist; or a regional or local noble, magnate, or aristocrat; or a regional, national, or even international operating insurance company.

Obviously, the king himself would fulfill these requirements that I just mentioned, and many people would have voluntarily chosen him as their protector. At the same time, however, many people also would have seceded from the king; of these, a large proportion would have likely turned to various regional nobles or magnates, who are now natural instead of hereditary nobility. And on a smaller territorial scale these local nobles would be able to offer the same advantages as protectors as the king himself would be able to offer. And this shift to regional protectors would bring about a significant decentralization in the organization and structure of the security industry. And this decentralization would only be reflective of, and in accordance with, private or subjective protection interests—that is, the centralization tendency that I mentioned before has also led to an overcentralization of the protection business.

Lastly, nearly everyone else, especially in the cities, would have turned for protection to commercial insurance companies, such as fire insurers. Insurance and private property protection are obviously very closely related matters. Better protection leads to lower insurance payoffs. And by insurers entering the protection market, quickly protection contracts, rather than unspecified promises, would have become the standard product form in which protection would have been offered.

Further, by virtue of the nature of insurance, the competition and cooperation between various protection insurers would promote the development of universal rules of procedure, evidence, conflict resolution, and arbitration. As well, it would promote the simultaneous homogenization and dehomogenization of the population into various classes of individuals with different group risks regarding their property protection, and accordingly, different protection insurance premiums. All systematic and predictable income and wealth redistribution between different groups

within the population as it existed under monopolistic conditions would be immediately eliminated. And this would of course make for peace.

Most importantly, the nature of protection and defense would have been fundamentally altered. Under monopolistic conditions, there is only one protector; whether it is monarchical or democratic makes no difference in this respect, a government is invariably conceived of as defending and protecting a fixed and contiguous territory. Yet this feature is the outcome of a compulsory protection monopoly. With the abolition of a monopoly, this feature would immediately disappear as highly unnatural or even artificial. There might have been a few local protectors who defended just one contiguous territory. But there would have also been other protectors, such as the king or insurance agencies, whose protection territory consisted of widespread patchworks of discontiguous bits and pieces and stretches. And the "borders" of every government would be in constant flux. In cities in particular, it would not be more unusual for two neighbors to have different protection agencies, than it is to have different fire insurers.

This patchwork structure of protection and defense *improves* protection. Monopolistic, contiguous defense presumes that the security interests of the entire population living in a given territory are somehow homogeneous. That is, that all people in a given territory have the same sort of defense interests. But this is a highly unrealistic and actually untrue assumption. Actually, peoples' security needs are highly heterogeneous. People may just own property in one location, or numerous territorially widely dispersed locations, or they may be largely self-sufficient, or only dependent on a very few people in their economic dealings; or on the other hand, they may be deeply integrated into the market and dependent economically on thousands and thousands of people strewn out over large territories.

The patchwork structure of the security industry would merely reflect this reality of highly diversified security needs that exist for various people. As well, this structure would in turn stimulate the development of a corresponding protective weaponry. Rather than producing and developing weapons and instruments of large scale bombing, instruments would be developed for protecting small-scale territories without collateral damage.

In addition, because all interregional redistribution of income and wealth would be eliminated in a competitive system, the patchwork

structure would also offer the best assurance of interterritorial peace. The likelihood and the extent of interterritorial conflict would be reduced if there are patchworks. And because every foreign invader, so to speak, would almost instantly, even if he invaded only a small piece of land, run into the opposition and military and economic counterattacks by several independent protecting agencies, likewise the danger of foreign invasions would be reduced.

Indirectly, it is already clear at least partially how and why it has become so much more difficult to reach this solution in the course of the last one hundred and fifty years. Let me point out some of the fundamental changes that have occurred which make all of these problems far bigger. First, it is no longer possible to carry out the reforms from the top-down. Classical liberals, during the old monarchical days, could and did in fact frequently think and could actually realistically believe in simply converting the king to their view, and ask him to abdicate his power, and everything else would have almost automatically fallen into place.

Today, the State's protection monopoly is considered public instead of private property, and government rule is no longer tied to any particular individual, but to specified *functions*, exercised by unnamed or anonymous individuals as members of a democratic government. Hence, the one or few man conversion strategy does no longer work. It doesn't matter if one converts a few top government officials—the president and a handful of senators—because, within the rules of democratic government, no single individual has the personal power of abdicating the government's monopoly of protection. Kings had this power; presidents don't.

The president can only resign from his position, only to be taken over by someone else. But he cannot dissolve the government protection monopoly, because supposedly the people own the government, and not the president himself. Under democratic rule then, the abolition of the government's monopoly of justice and protection requires either that a majority of the public and of their elected representatives would have to declare the government's protection monopoly and accordingly all compulsory taxes abolished, or even more restrictive, that literally no one would vote and the voter turnout would be zero. Only in this case could the democratic protection monopoly be said to be effectively abolished. But this would essentially mean that it was *impossible* to ever rid ourselves of

an economic and moral perversion. Because nowadays it is a given that everyone, including the mob, does participate in politics, and it is inconceivable, that the mob should ever, in its majority or even in its entirety, should renounce or abstain from exercising its right to vote, which is nothing else than exercising the opportunity to loot the property of others.

Moreover, even if one assumes against all odds that this was achieved, the problems do not end. Because another fundamental sociological truth in the age of modern egalitarian mass democracy is the almost complete destruction of natural elites. The king could abdicate his monopoly and the security needs of the public still would have been almost automatically been taken care of because there existed for mostly the king himself, and also regional and local nobles and major entrepreneurial personalities, a clearly visible and established natural, voluntarily acknowledged elite and a multilayered structure of hierarchies, and rank orders to which people could turn with their desire to be protected.

The Disappearance of Natural Elites

Today, after less than one century of mass democracy, there exists no such natural elites and social hierarchies to which one could immediately turn for protection. Natural elites and hierarchical social orders and organizations, that is people and institutions commanding an authority and respect independent of the State, are even more intolerable and unacceptable to a democrat and more incompatible with the democratic spirit of egalitarianism than they were a threat to any king or to any prince. And because of that, under the democratic rules of the game, all independent authorities, all independent institutions have been systematically wiped or diminished through economic measures to insignificance. Today, no one person or institution outside of government itself possesses genuine national or even regional authority. Rather than people of independent authority we now merely have an abundance of people who are prominent: sports and movie stars, pop stars, and of course politicians. But these people, while they may be able to set trends and shape fashions, do not possess any such thing as natural personal social authority.

This is true in particular of politicians: they may be great stars now, every day they are on TV and the subject of public debate, but this is almost entirely due to the fact that they are a part of the current State apparatus with its monopolistic powers. Once this monopoly was dissolved, these "stars" of politics would become non-entities, because in real life they are mostly nothings, hacks, and half-wits. And only democracy allows them to rise to these elevated positions. Left to their own devices, left to their own personal achievements, they are, with almost no exception, complete nobodies. Put bluntly, once the democratic government—Congress—had declared that from now on everyone would be free to choose his own judge and protector, such that he still can but no longer must choose the government for protection, who in his right mind would ever choose them?! That is, the current members of Congress and the federal government: who would choose them voluntarily as their judge and protector?! To raise this question is to answer it. Kings and princes possessed real authority; there was coercion involved, no question whatsoever, but they received a significant amount of voluntary support.

In contrast, democratic politicians are generally held in contempt, even by their own mob constituency. But then there is also no one else to whom one might turn for protection. Local and regional politicians are basically posing the same sort of problem, and with the abolition of their monopoly powers, they obviously do not offer an attractive alternative to this problem either. Nor are there any great entrepreneurial personalities standing in the wings, and insurance companies in particular, have become almost entirely creatures of the egalitarian democratic state, and thus appear as little trustworthy as anybody else to take over this particularly important task of protection and justice.

Thus, if one did today what the king could have done a hundred years ago, there would be the immediate danger of having in fact social chaos, or of "anarchy" in the bad sense. People would indeed at least temporarily become highly vulnerable and defenseless. So then the question becomes: is there no way out? Let me sum up the answer in advance: Yes, but rather than by means of the top-down reform, one's strategy must now be that of a bottom-up revolution. And instead of one battle, on a single front, a liberal-libertarian revolution now will have to involve many battles on many fronts. That is, we want guerrilla warfare rather than conventional warfare.

The Role of Intellectuals

Before explaining this answer as another step in the direction of this goal, a second sociological fact has to be recognized: the change of the role of intellectuals, of education, and of ideology. As soon as the protection agency becomes a territorial monopolist—that is, a State—it is turned from a genuine protector into a protection racket. And in light of resistance on the part of the victims of this protection racket, a State is in need of legitimacy, of intellectual justification for what it does. The more the State turns from a protector to a protection racket—that is, with every additional increase in taxes and regulation—the greater does this need for legitimacy become.

In order to assure correct statist thinking, a protection monopolist will employ its privileged position as the protection racket to quickly establish an education monopoly. Even during the 19th century under decidedly undemocratic monarchical conditions, education, at least on the level of elementary schooling and university education, was already largely monopolistically organized and compulsorily funded. And it was largely from the ranks of the royal government teachers and professors, that is, those people who had been employed as intellectual bodyguards of kings and princes, from where the monarchical rule and the privileges of kings and nobles was ideologically undermined and instead egalitarian ideas were promoted, in the form of democracy and socialism.

This was with good reason from the point of view of the intellectuals. Because democracy and socialism in fact multiply the number of educators and intellectuals, and this expansion of the system of government public education in turn has led to an ever greater flood of intellectual waste and pollution. The price of education, as the price of protection and justice, has gone up dramatically under monopolistic administration, all the while the quality of education, just as the quality of justice, has continuously declined. Today, we are as unprotected as we are uneducated.

Without the continued existence of the democratic system and of publicly funded education and research, however, most current teachers and intellectuals would be unemployed or their income would fall to a small fraction of its present level. Instead of researching the syntax of Ebonics,

the love life of mosquitoes, or the relationship between poverty and crime for $100 grand a year, they would research the science of potato growing or the technology of gas pump operation for $20 grand.

The monopolized education system is by now as much of a problem as the monopolized protection and justice system. In fact, government education and research and development is the central instrument by which the State protects itself from public resistance. Today, intellectuals are as important or even more so, from the point of view of the government, for the preservation of the status quo, than are judges, policemen, and soldiers.

And just as one cannot convert the democratic system from the political top-down, so it also cannot be expected that this conversion will come down from within the established system of public education and public universities. This system cannot be reformed. It is impossible for liberal-libertarians to infiltrate and take over the public education system, as the democrats and socialists could when they replaced the monarchists.

From the point of view of classical liberalism, the entire system of publicly, or tax-funded education must go, root and branch. And with this conviction, it is obviously impossible for anyone to make a career within these conditions. I will not ever be able to become the president of the university. My views bar me from making a career like this. Now this is not to say that education and intellectuals do not play a role in bringing about a libertarian revolution. To the contrary, as I explained before, everything hinges ultimately on the question of whether or not we will succeed in delegitimizing and exposing as an economic and moral perversity, democracy and the democratic monopoly of justice and protection.

This is obviously nothing but an ideological battle. But it would be wrongheaded to assume that official academia will be of any help in this endeavor. On the government dole, educators and intellectuals will tend to be statists. Intellectual ammunition and ideological direction and coordination can only come from outside of established academia, from centers of intellectual resistance—from an intellectual counterculture outside and independent of, and in fundamental opposition to the government monopoly of protection as well as of education, such as the Mises Institute.

A Bottom-Up Revolution

At last to the detailed explanation of the meaning of this bottom-up revolutionary strategy. For this, let me turn to my earlier remarks about the defensive use of democracy, that is, the use of democratic means for non-democratic, libertarian pro-private property ends. Two preliminary insights I have already reached here.

First, from the impossibility of a top-down strategy, it follows that one should expend little or no energy, time, and money on nationwide political contests, such as presidential elections. And also not on contests for central government, in particular, less effort on senatorial races than on house races, for instance.

Second, from the insight into the role of intellectuals, in the preservation of the current system, the current protection racket, it follows that one should likewise expend little or no energy, time, or money trying to reform education and academia from the inside. By endowing free enterprise or private property chairs within the established university system, for instance, one only helps to lend legitimacy to the very idea that one wishes to oppose. The official education and research institutions must be systematically defunded and dried up. And to do so all support of intellectual work, as an essential task of this overall task in front of us, should of course be given to institutions and centers determined to do precisely this.

The reasons for both of these pieces of advice are straightforward: Neither the population as a whole nor all educators and intellectuals in particular are ideologically completely homogeneous. And even if it is impossible to win a majority for a decidedly anti-democratic platform on a nationwide scale, there appears to be no insurmountable difficulty in winning such a majority in sufficiently small districts, and for local or regional functions within the overall democratic government structure. In fact, there seems to be nothing unrealistic in assuming that such majorities exist at thousands of locations. That is, locations dispersed all over the country but not evenly dispersed. Likewise, even though the intellectual class must be by and large regarded as natural enemies of justice and protection, there exists at various locations isolated anti-intellectual

intellectuals, and as the Mises Institute proves, it is very well possible to assemble these isolated figures around an intellectual center, and give them unity and strength, and a national or even an international audience.

But what then? Everything else falls almost automatically from the ultimate goal, which must be kept permanently in mind, in all of one's activities: the restoration from the bottom-up of private property and the right to property protection; the right to self-defense, to exclude or include, and to freedom of contract. And the answer can be broken down into two parts.

First, what to do within these very small districts, where a pro-private property candidate and anti-majoritarian personality can win. And second, how to deal with the higher levels of government, and especially with the central federal government. First, as an initial step, and I'm referring now to what should be done on the local level, the first central plank of one's platform should be: one must attempt to restrict the right to vote on local taxes, in particular on property taxes and regulations, to property and real estate owners. Only property owners must be permitted to vote, and their vote is not equal, but in accordance with the value of the equity owned, and the amount of taxes paid. That is, similar to what Lew Rockwell already explained has happened in some places in California.

Further, all public employees—teachers, judges, policemen—and all welfare recipients, must be excluded from voting on local taxes and local regulation matters. These people are being paid out of taxes and should have no say whatsoever how high these taxes are. With this platform one cannot of course win everywhere; you cannot win in Washington, D.C. with a platform like this. but I dare say that in many locations this can be easily done. The locations have to be small enough and have to have a good number of decent people.

Consequently, local taxes and rates as well as local tax revenue will inevitably decrease. Property values and most local incomes would increase whereas the number and payment of public employees would fall. Now, and this is the most decisive step, the following thing must be done, and always keep in mind that I am talking about very small territorial districts, villages.

In this government funding crisis which breaks out once the right to vote has been taken away from the mob, as a way out of this crisis, all local government assets must be privatized. An inventory of all public buildings,

and on the local level that is not that much—schools, fire, police station, courthouses, roads, and so forth—and then property shares or stock should be distributed to the local private property owners in accordance with the total lifetime amount of taxes—property taxes—that these people have paid. After all, it is theirs, they paid for these things.

These shares should be freely tradeable, sold and bought, and with this local government would essentially be abolished. If it were not for the continued existence of higher superior levels of government, this village or city would now be a free or liberated territory. What would consequently happen to education and more importantly, what would happen to property protection and justice?

On the small local level, we can be as certain, or even more so than we could have been one hundred years ago about what would have happened if the king abdicated, that what would happen is roughly this: all material resources that were previously devoted to these functions—schools, police stations, courthouses—still exist, and so does the manpower. The only difference is that they are now privately owned, or temporarily unemployed in the case of public employees. Under the realistic assumption that there continues to be a local demand for education and protection and justice, the schools, police stations, and courthouses will be still used for the very same purposes. And many former teachers, policemen and judges would be rehired or resume their former position on their own account as self-employed individuals, except that they would be operated or employed by local “bigshots” or elites who own these things, all of whom are personally known figures. Either as for-profit enterprises, or as, and what seems to be more likely, some mixture of charitable and economic organization. Local “bigshots” frequently provide public goods out of their own private pocket; and they obviously have the greatest interest in the preservation of local justice and peace.

And this is all easy enough to see to work for schools and policemen, but what about judges and justice? Recall that the root of all evil is compulsory monopolization of justice, that is one person says this is right. Accordingly judges must be freely financed, and free entry into judgeship positions must be assured. Judges are not elected by vote, but chosen by the effective demand of justice seekers. Also don’t forget that on the small local level under consideration, one is talking actually about a demand for one or

very few judges only. Whether this or these judges are then employed by the private courthouse association or stock company, or are self-employed individuals who rent these facilities or offices, it should be clear that only a handful of local people, and only widely known and respected local personalities—that is, members of the natural local elite—would have any chance whatsoever of being so selected as judges of local peace.

Only as members of the natural elite will their decision possess any authority and become enforceable. And if they come up with judgments that are considered to be ridiculous, they will be immediately displaced by other local authorities that are more respectable. If you proceed along these lines on the local level, of course it cannot be avoided that one will come into direct conflict with the upper and especially the federal level of government power. How to deal with this problem? Wouldn't the *federales* simply crush any such attempt?

They would surely like to, but whether or not they can actually do so is an entirely different question, and to recognize this, it is only necessary to recognize that the members of the governmental apparatus always represent, even under conditions of democracy, merely a teeny proportion of the total population. And even smaller is the proportion of central government employees.

This implies that a central government cannot possibly enforce its legislative will, or perverted law, upon the entire population unless it finds widespread local support and cooperation in doing so. This becomes particularly obvious if one imagines a large number of free cities or villages as I described them before. It is practically impossible, manpower-wise, as well as from a public relations standpoint, to take over thousands of territorially widely dispersed localities and impose direct federal rule on them.

Without local enforcement, by compliant local authorities, the will of the central government is not much more than hot air. Yet this local support and cooperation is precisely what needs to be missing. To be sure, so long as the number of liberated communities is still small, matters seem to be somewhat dangerous. However, even during this initial phase in the liberation struggle, one can be quite confident.

It would appear to be prudent during this phase to avoid a direct confrontation with the central government and not openly denounce its

authority or even abjure the realm. Rather, it seems advisable to engage in a policy of passive resistance and non-cooperation. One simply stops to help in the enforcement in each and every federal law. One assumes the following attitude: “Such are your rules, and you enforce them. I cannot hinder you, but I will not help you either, as my only obligation is to my local constituents.”

Consistently applied, no cooperation, no assistance whatsoever on any level, the central government’s power would be severely diminished or even evaporate. And in light of the general public opinion, it would appear highly unlikely that the federal government would dare to occupy a territory whose inhabitants did nothing else than trying to mind their own business. Waco, a teeny group of freaks, is one thing. But to occupy, or to wipe out a significantly large group of normal, accomplished, upstanding citizens is quite another, and quite a more difficult thing.

Once the number of implicitly seceded territories has reached a critical mass, and every success in one little location promotes and feeds on the next one, it will become inevitably further radicalized to a nationwide, municipalization movement, with explicitly secessionist local policies and openly and contemptuously displayed non-compliance with federal authority.

And it is in this situation then, when the central government will be forced to abdicate its protection monopoly and the relationship between the local authorities that reemerge and the central authorities, who are about to lose their power, can be put on a purely contractual level, and one might regain the power to defend one’s own property again.

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[1] Vladimir Lenin in 1902 titled a book *What is to be Done?* (or *What Must Be Done*) which describes his plans to bring Communism to Russia. Hoppe uses the same title to describe his plans to bring Libertarianism to American society.